

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

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**Date:** April 19, 2007

**Bill Number:** H.B. 3153

**Author:** McLeod, Herbkersman and Funderburk

**Committee Requesting Impact:** House W&M

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### Bill Summary

A bill to amend the Code of Laws of south Carolina, 1976, by adding Section [57-3-45](#) so as to establish the Mass Transit Advisory Council and provide for its membership and functions and to amend Section [12-28-2725](#), relating to the portion of the motor fuels user fee used for mass transit, so as to provide that revenue equal to two cents a gallon of the total user fee on gasoline must be used for mass transit.

### REVENUE IMPACT <sup>1/</sup>

This bill is expected to raise funds allocated to Department of Transportation (DOT) for mass transit by \$43,484,000 in FY 2007-08 and will reduce funds to the Department of Transportation Highway Fund \$43,484,000. It would have no impact on state General Fund revenue in FY 2007-08.

### Explanation

Section 2 of this bill amends Section 12-28-2725 to designate an amount equal to two cents a gallon of the total motor fuel user fee on gasoline only for mass transit use, whereas under current law the .25 cent a gallon is allocated to mass transit.

Based on fuel records maintained by DOT, we estimate the yield of two cents a gallon for the user fee on gasoline only to be \$49,696,000 in FY 2007-08. From that amount, we must subtract \$6,120,000 as the equivalent yield of .25 cents a gallon under current law, for a net increase of \$43,484,000 to be earmarked to DOT for mass transit use in FY 2007-08. This bill would reduce funds to the Department of Transportation Highway Fund by \$43,484,000 in FY 2007-08. This bill would have no impact on state General Fund revenue in FY 2007-08.

Analyst: Di Biase

/s/William C. Gillespie  
William C. Gillespie, Ph.D.  
Chief Economist

<sup>1/</sup> This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).